



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

Grand Valley Health Plan, Inc.

NAIC Group Code	0000	0000	NAIC Company Code	95453	Employer's ID Number	38-2396958
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation [] Vision Service Corporation [] Other [] Health Maintenance Organization [X] Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No [X]					
Incorporated/Organized	12/03/1981		Commenced Business	02/05/1982		
Statutory Home Office	829 Forest Hill Ave SE			Grand Rapids, MI, US 49546-2325		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	829 Forest Hill Ave SE					
	Grand Rapids, MI, US 49546-2325			616-949-2410		
	(City or Town, State, Country and Zip Code)			(Area Code) (Telephone Number)		
Mail Address	829 Forest Hill Ave SE			Grand Rapids, MI, US 49546-2325		
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	829 Forest Hill Ave SE					
	Grand Rapids, MI, US 49546-2325			616-949-9944-122		
	(City or Town, State, Country and Zip Code)			(Area Code) (Telephone Number)		
Internet Website Address	gvhp.com					
Statutory Statement Contact	Pamela Lea Silva			616-949-9944-122		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	silvap@gvhp.com			616-949-9948		
	(E-mail Address)			(FAX Number)		

OFFICERS

Name	Title	Name	Title
Roland E Palmer	President	Thomas W Schouten	Treasurer/Secretary
Pamela L Silva	Vice President/COO		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Roland E Palmer	Thomas W Schouten	Daniel Wallace	Robert Schirado
Pamela L Silva	Richard C Fletcher	Herbert A Start	Kathy Lentz
Athena M Cronberg	Steven A Manifold		

State ofMichigan.....

ss

County ofKent.....

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Roland E Palmer President	Thomas W Schouten Treasurer/Secretary	Pamela L Silva Vice President/COO
Subscribed and sworn to before me this 28 day of February, 2013		a. Is this an original filing? Yes [X] No [] b. If no, 1. State the amendment number 2. Date filed 02/28/2012 3. Number of pages attached
Ruth A. Klinger 05/08/2018		

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	.0		.0	.0
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	.0		.0	.0
2.2 Common stocks .....	.0		.0	.0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			.0	.0
3.2 Other than first liens .....			.0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....	865,258		865,258	892,609
4.2 Properties held for the production of income (less \$ encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$ encumbrances) .....			.0	.0
5. Cash (\$3,351,192 , Schedule E - Part 1), cash equivalents (\$0 , Schedule E - Part 2) and short-term investments (\$1,001,406 , Schedule DA).....	4,352,598		4,352,598	3,288,121
6. Contract loans (including \$premium notes).....			.0	.0
7. Derivatives (Schedule DB).....			.0	.0
8. Other invested assets (Schedule BA) .....	.0		.0	964,697
9. Receivables for securities .....			.0	.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	.0
11. Aggregate write-ins for invested assets .....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11)	5,217,856	.0	5,217,856	5,145,427
13. Title plants less \$charged off (for Title insurers only).....			.0	.0
14. Investment income due and accrued .....			.0	.0
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	46,696	2,165	44,531	479,411
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums).....			.0	.0
15.3 Accrued retrospective premiums.....			.0	.0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	77,515		77,515	.0
16.2 Funds held by or deposited with reinsured companies .....			.0	.0
16.3 Other amounts receivable under reinsurance contracts .....			.0	.0
17. Amounts receivable relating to uninsured plans .....			.0	.0
18.1 Current federal and foreign income tax recoverable and interest thereon	264,465	264,465	.0	475,823
18.2 Net deferred tax asset.....	263,000	26,688	236,312	234,530
19. Guaranty funds receivable or on deposit .....			.0	.0
20. Electronic data processing equipment and software.....	493		493	2,145
21. Furniture and equipment, including health care delivery assets (\$190,812)	191,928	1,116	190,812	223,019
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0	.0
23. Receivables from parent, subsidiaries and affiliates	26,640		26,640	21,702
24. Health care (\$) and other amounts receivable.....			.0	4,462
25. Aggregate write-ins for other than invested assets	108,960	108,960	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	6,197,553	403,394	5,794,159	6,586,519
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	.0
28. Total (Lines 26 and 27)	6,197,553	403,394	5,794,159	6,586,519
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. HRA Chemical Bank.....	2,778	2,778	.0	.0
2502. Prepays.....	106,182	106,182	.0	.0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	108,960	108,960	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	2,035,000		2,035,000	2,971,169
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	74,000		74,000	108,043
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	73,947		73,947	296,250
9. General expenses due or accrued	986,211		986,211	487,497
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	98,295
12. Amounts withheld or retained for the account of others	3,274		3,274	3,121
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates.	21,803		21,803	40,171
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	3,194,235	0	3,194,235	4,004,546
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	312,996	312,996
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	1,212,873	1,212,873
29. Surplus notes	XXX	XXX	500,000	500,000
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	574,055	556,103
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	2,599,924	2,581,972
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	5,794,159	6,586,518
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	77,675	95,233
2. Net premium income (including \$0 non-health premium income).....	XXX	25,672,672	30,242,994
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$234,630 medical expenses)	XXX	276,035	325,636
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	25,948,707	30,568,630
Hospital and Medical:			
9. Hospital/medical benefits	41,078	17,741,444	21,359,822
10. Other professional services	62,741	1,419,125	1,797,498
11. Outside referrals			0
12. Emergency room and out-of-area	332,201	1,399,966	1,612,052
13. Prescription drugs		3,461,621	4,358,601
14. Aggregate write-ins for other hospital and medical.....	0	27,930	32,742
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	436,020	24,050,086	29,160,715
Less:			
17. Net reinsurance recoveries		274,846	(17,280)
18. Total hospital and medical (Lines 16 minus 17)	436,020	23,775,240	29,177,995
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$0 cost containment expenses.....		235,920	306,947
21. General administrative expenses.....		1,834,289	2,755,292
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	436,020	25,845,449	32,240,234
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	103,258	(1,671,604)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		354,285	332,543
26. Net realized capital gains (losses) less capital gains tax of \$			(1,475)
27. Net investment gains (losses) (Lines 25 plus 26)	0	354,285	331,068
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	457,543	(1,340,536)
31. Federal and foreign income taxes incurred	XXX	130,000	(580,702)
32. Net income (loss) (Lines 30 minus 31)	XXX	327,543	(759,834)
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401. Other Medical.....		27,930	32,742
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	27,930	32,742
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2
	Current Year	Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior reporting year	2,581,974	3,329,315
34. Net income or (loss) from Line 32	327,543	(759,834)
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	(22,000)	(28,000)
39. Change in nonadmitted assets	(287,591)	40,493
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	17,952	(747,341)
49. Capital and surplus end of reporting year (Line 33 plus 48)	2,599,926	2,581,974
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	25,784,789	30,389,950
2. Net investment income.....	145,394	327,447
3. Miscellaneous income.....	276,035	325,636
4. Total (Lines 1 through 3).....	26,206,218	31,043,033
5. Benefit and loss related payments.....	24,813,384	27,551,800
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,603,049	3,153,569
8. Dividends paid to policyholders.....		0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	(81,358)	(104,879)
10. Total (Lines 5 through 9).....	26,335,075	30,600,490
11. Net cash from operations (Line 4 minus Line 10).....	(128,857)	442,543
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	0	0
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	1,200,000	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,200,000	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	0	0
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	26,562	31,665
13.7 Total investments acquired (Lines 13.1 to 13.6).....	26,562	31,665
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	1,173,438	(31,665)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	19,896	146,965
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	19,896	146,965
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	1,064,477	557,843
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	3,288,121	2,730,278
19.2 End of year (Line 18 plus Line 19.1).....	4,352,598	3,288,121

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Grand Valley Health Plan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
		Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
	Total									
1. Net premium income	25,672,672	19,914,591	0	0	0	5,758,081	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$234,630 medical expenses)	276,035	226,016				50,019				XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	25,948,707	20,140,607	0	0	0	5,808,100	0	0	0	0
8. Hospital/medical benefits	17,741,444	14,526,628				3,214,816				XXX
9. Other professional services	1,419,125	1,161,974				257,151				XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	1,399,966	1,146,287				253,679				XXX
12. Prescription drugs	3,461,621	2,834,362				627,259				XXX
13. Aggregate write-ins for other hospital and medical	27,931	22,870	0	0	0	5,061	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	24,050,087	19,692,121	0	0	0	4,357,966	0	0	0	XXX
16. Net reinsurance recoveries	274,846	274,846								XXX
17. Total hospital and medical (Lines 15 minus 16)	23,775,241	19,417,275	0	0	0	4,357,966	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$0 cost containment expenses	235,920	193,170				42,750				
20. General administrative expenses	1,834,288	1,501,908				332,380				
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	25,845,449	21,112,353	0	0	0	4,733,096	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	103,258	(971,746)	0	0	0	1,075,004	0	0	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. Other Medical	27,931	22,870				5,061				XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	27,931	22,870	0	0	0	5,061	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	20,189,273		274,682	19,914,591
2. Medicare Supplement .....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan	5,818,869		60,788	5,758,081
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	26,008,142	.0	335,470	25,672,672
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	26,008,142	0	335,470	25,672,672

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Grand Valley Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	24,908,741	18,993,997				5,914,744				
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	197,331	197,331								
1.4 Net	24,711,410	18,796,666	0	0	0	5,914,744	0	0	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	2,035,000	1,596,018	0	0	0	438,982	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	2,035,000	1,596,018	0	0	0	438,982	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	(77,515)	(1,273,690)				1,196,175				
7. Amounts recoverable from reinsurers December 31, current year	77,515	77,515								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	2,971,169	2,171,584	0	0	0	799,585	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	2,971,169	2,171,584	0	0	0	799,585	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	24,050,087	19,692,121	0	0	0	4,357,966	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	274,846	274,846	0	0	0	0	0	0	0	0
12.4 Net	23,775,241	19,417,275	0	0	0	4,357,966	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	1,249,960	973,808				276,152				
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	1,249,960	973,808	0	0	0	276,152	0	0	0	0
2. Incurred but Unreported:										
2.1 Direct	785,040	622,210				162,830				
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	785,040	622,210	0	0	0	162,830	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	2,035,000	1,596,018	0	0	0	438,982	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	2,035,000	1,596,018	0	0	0	438,982	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	2,297,439	16,499,227	159,007	1,437,011	2,456,446	2,171,584
2. Medicare Supplement .....					.0	.0
3. Dental Only.....					.0	.0
4. Vision Only.....					.0	.0
5. Federal Employees Health Benefits Plan	867,485	5,047,259		438,982	867,485	799,585
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid.....					.0	.0
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	3,164,924	21,546,486	159,007	1,875,993	3,323,931	2,971,169
10. Healthcare receivables (a).....					.0	.0
11. Other non-health.....					.0	.0
12. Medical incentive pools and bonus amounts .....					.0	.0
13. Totals (Lines 9 - 10 + 11 + 12)	3,164,924	21,546,486	159,007	1,875,993	3,323,931	2,971,169

(a) Excludes \$loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	163,896	163,896	163,896	163,896	163,896
2. 2008	21,983	23,399	23,400	23,400	23,400
3. 2009	XXX	18,754	19,881	19,883	19,883
4. 2010	XXX	XXX	19,585	21,048	21,059
5. 2011	XXX	XXX	XXX	19,025	21,311
6. 2012	XXX	XXX	XXX	XXX	16,499

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	182,175	182,175	182,175	182,175	182,175
2. 2008	24,644	26,060	26,061	26,061	26,061
3. 2009	XXX	20,630	21,758	21,759	21,759
4. 2010	XXX	XXX	20,824	22,289	22,300
5. 2011	XXX	XXX	XXX	21,195	23,640
6. 2012	XXX	XXX	XXX	XXX	18,051

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2008	23,823	23,400	179	0.8	23,579	99.0			23,579	99.0
2. 2009	21,402	19,883	143	0.7	20,026	93.6			20,026	93.6
3. 2010	22,376	21,059	207	1.0	21,266	95.0			21,266	95.0
4. 2011	23,751	21,311	202	0.9	21,513	90.6			21,513	90.6
5. 2012	19,915	16,499	180	1.1	16,679	83.8	1,596	58	18,333	92.1

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A – Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	25,846	25,846	25,846	25,846	25,846
2. 2008	5,241	5,749	5,750	5,750	5,750
3. 2009	XXX	7,081	7,513	7,514	7,514
4. 2010	XXX	XXX	6,424	6,781	6,783
5. 2011	XXX	XXX	XXX	7,005	7,869
6. 2012	XXX	XXX	XXX	XXX	5,047

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	28,121	28,662	28,662	28,662	28,662
2. 2008	5,875	6,383	6,384	6,384	6,384
3. 2009	XXX	7,789	8,222	8,222	8,223
4. 2010	XXX	XXX	6,830	7,187	7,189
5. 2011	XXX	XXX	XXX	7,804	8,668
6. 2012	XXX	XXX	XXX	XXX	5,522

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2008	6,211	5,750	44	0.8	5,794	93.3			5,794	93.3
2. 2009	6,553	7,514	54	0.7	7,568	115.5			7,568	115.5
3. 2010	6,626	6,783	67	1.0	6,850	103.4			6,850	103.4
4. 2011	6,492	7,869	75	1.0	7,944	122.4			7,944	122.4
5. 2012	5,758	5,047	55	1.1	5,102	88.6	439	16	5,557	96.5

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	189,742	189,742	189,742	189,742	189,742
2. 2008	27,224	29,148	29,150	29,150	29,150
3. 2009	XXX	25,835	27,394	27,397	27,397
4. 2010	XXX	XXX	26,009	27,829	27,842
5. 2011	XXX	XXX	XXX	26,030	29,180
6. 2012	XXX	XXX	XXX	XXX	21,546

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	210,296	210,837	210,837	210,837	210,837
2. 2008	30,519	32,443	32,445	32,445	32,445
3. 2009	XXX	28,419	29,980	29,981	29,982
4. 2010	XXX	XXX	27,654	29,476	29,489
5. 2011	XXX	XXX	XXX	28,999	32,308
6. 2012	XXX	XXX	XXX	XXX	23,573

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2008	30,034	29,150	223	0.8	29,373	97.8	0	0	29,373	97.8
2. 2009	27,955	27,397	197	0.7	27,594	98.7	0	0	27,594	98.7
3. 2010	29,002	27,842	274	1.0	28,116	96.9	0	0	28,116	96.9
4. 2011	30,243	29,180	277	0.9	29,457	97.4	0	0	29,457	97.4
5. 2012	25,673	21,546	235	1.1	21,781	84.8	2,035	74	23,890	93.1

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	.0								
2. Additional policy reserves (a) .....	.0								
3. Reserve for future contingent benefits .....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income) .....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4) .....	.0			.0	.0	.0	.0	.0	.0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building).....			210,331		210,331
2. Salaries, wages and other benefits.....		137,143	684,173		821,316
3. Commissions (less \$ceded plus \$assumed).....					0
4. Legal fees and expenses.....			57,773		57,773
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....			48,795		48,795
7. Traveling expenses.....			4,496		4,496
8. Marketing and advertising.....			538,199		538,199
9. Postage, express and telephone.....		25	213		238
10. Printing and office supplies.....		42	22,522		22,564
11. Occupancy, depreciation and amortization.....			108,136		108,136
12. Equipment.....					0
13. Cost or depreciation of EDP equipment and software.....			529		529
14. Outsourced services including EDP, claims, and other services.....		89,013	108,066		197,079
15. Boards, bureaus and association fees.....			13,731		13,731
16. Insurance, except on real estate.....			9,933		9,933
17. Collection and bank service charges.....			46,567		46,567
18. Group service and administration fees.....			18,386		18,386
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....					0
23.4 Payroll taxes.....		9,697	47,016		56,713
23.5 Other (excluding federal income and real estate taxes).....			(84,577)		(84,577)
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	0	235,920	1,834,289	0	(a).....2,070,209
27. Less expenses unpaid December 31, current year.....		74,000	986,211		1,060,211
28. Add expenses unpaid December 31, prior year.....	0	108,043	487,497	0	595,540
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	269,963	1,335,575	0	1,605,538
DETAILS OF WRITE-INS					
2501.					
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 + 2598)(Line 25 above)	0	0	0	0	0

(a) Includes management fees of \$606,192 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....	.....
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....	.....
1.3	Bonds of affiliates	(a) .....0	.....
2.1	Preferred stocks (unaffiliated)	(b) .....0	.....
2.11	Preferred stocks of affiliates	(b) .....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....181,975	.....181,975
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) .....2,285	.....2,534
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....43,200	.....278,504
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	227,460	463,013
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) .....82,166
14.	Depreciation on real estate and other invested assets		(i) .....26,562
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....108,728
17.	Net investment income (Line 10 minus Line 16)		354,285
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

- (a) Includes \$accrual of discount less \$amortization of premium and less \$0 paid for accrued interest on purchases.
- (b) Includes \$accrual of discount less \$amortization of premium and less \$0 paid for accrued dividends on purchases.
- (c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$paid for accrued interest on purchases.
- (d) Includes \$for company's occupancy of its own buildings; and excludes \$interest on encumbrances.
- (e) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued interest on purchases.
- (f) Includes \$accrual of discount less \$amortization of premium.
- (g) Includes \$investment expenses and \$investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$interest on surplus notes and \$interest on capital notes.
- (i) Includes \$depreciation on real estate and \$depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5.
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....			.....0	.....	.....
1.1	Bonds exempt from U.S. tax .....			.....0	.....	.....
1.2	Other bonds (unaffiliated) .....			.....0	.....	.....
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....	.....0
5.	Contract loans .....			.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....			.....0	.....149	.....0
7.	Derivative instruments .....			.....0	.....	.....
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	0	0	0	149	0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	2,165	0	(2,165)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	264,465	0	(264,465)
18.2 Net deferred tax asset.....	26,688	50,470	23,782
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets.....	1,116	1,954	838
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	1,401	1,401
25. Aggregate write-ins for other than invested assets	108,960	61,978	(46,982)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	403,394	115,803	(287,591)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	403,394	115,803	(287,591)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0
2501. Prepaid Insurance & Prepaid Capitation	108,960	61,978	(46,982)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	108,960	61,978	(46,982)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	7,852	6,732	6,328	6,118	6,005	76,765
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.73	.69	.67	.84	.81	.910
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	7,925	6,801	6,395	6,202	6,086	77,675
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Statement for the Year Ended 12/31/2012 – Grand Valley Health Plan
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. Accounting Practices – The accompanying financial statements have been prepared in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual (SSAP’s) for health organizations except to the extent that state requirements differ.
- B. Use of Estimates – In conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual (SSAP’s), the preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates and assumptions may change in the near future resulting in different actual results. Estimates that are most susceptible to change in the near term are accounts receivable and the liability for unpaid and unreported claims.
- C. Accounting Policy

Investments (Contingency Reserve) – Pursuant to requirements of the Commissioner of Insurance for the State of Michigan, Grand Valley Health Plan executed a trust indenture. The trust is established to provide for the payment of medical services in the event Grand Valley Health Plan is unable to make payment. The agreement requires trust assets to be a minimum of \$1,000,000. The trust account met or exceeded funding requirements, as specified in the agreement. The trust invests principally in government money market funds, is stated at fair market value, and is included in cash and cash equivalents.

Accounts Receivable – This category represents charges to employer groups and individuals, primarily on open account. Adjustments to customer accounts are made to estimate net realizable amounts with appropriate charges to premium revenues.

Inventories – Inventories consist of pharmaceuticals and are stated at cost (first-in, first-out method).

Property and Equipment – Depreciable assets are stated at cost. Depreciation is generally computed using the straight-line method over the estimated useful lives of the depreciable assets except for Health Care Delivery assets which are depreciated over a period not to exceed three years in accordance with SSAP 73, and EDP Equipment and Operating System Software which also do not exceed three years per SSAP 79. Non-Operating software is depreciated over the lesser of its useful life or five years per SSAP 79. If not limited by the aforementioned SSAP, the estimated useful lives are listed as follows:

Building and land improvements	5 - 40 years
Medical equipment	5 - 7 years
Office furniture and equipment	5 - 7 years
Electronic data processing equipment	3 - 5 years

These assets are reviewed for impairment when events indicate that the carrying amount may not be recoverable.

Premiums – member premiums are recorded as revenues in the month that members are entitled to services. Premiums collected in advance are recorded as Premiums Received in Advance.

Related Party Transactions – The Company is related with other entities through common ownership and management (see note 10).

Employee Benefit Plans –The Company participates in the parent company’s Employee Stock Ownership Plan (ESOP) and 401(k) plans (see note 12). The Company maintains a profit sharing plan and there were no profit sharing contributions to the plan in the period.

NOTES TO FINANCIAL STATEMENTS

Income Taxes – The Company records income tax expense based on the amount of current taxes plus deferred taxes computed based on the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities, using enacted tax rates. Under the statutory basis of accounting some of these deferred assets are considered non-admitted assets and therefore are excluded. The Company is included in the Grand Valley Health Corporation parent company consolidated tax return (see note 9).

In addition, the company uses the following accounting policies:

- 1) Short-term Investments – This category includes deposits in financial institutions and short-term investments with maturities of less than 12 months from the date of acquisition.
 - 2) Bonds – None to report.
 - 3) Common Stock and Additional Paid in Capital – stated at cost.
 - 4) Preferred Stock – None to report.
 - 5) Mortgage Loans (Valuation Basis) – None to report.
 - 6) Securities (Loan-Backed) – None to report.
 - 7) Investment in Subsidiaries – None to report.
 - 8) Investment in Joint Ventures, partnerships and LLC's – None to report.
 - 9) Derivatives – None to report.
 - 10) Premium Deficiency – None to report.
 - 11) Liabilities for Claims and Claim Adjustment Expenses – Health care costs are accrued as services are rendered, and include fees to physicians, hospitals, pharmacies and other providers for continuing medical care, and payments made on individual claims for which services have been performed including estimates of services performed which have not yet been reported. The reserves for incurred but not reported claims are to cover this estimated medical cost. Claims unpaid and unpaid adjustment expenses include amounts determined from individual case estimates, claim reports, and an amount for claims incurred but not reported based on past experience. Subsequent actual claim experience will differ from the estimated liability due to variances in estimated and actual member utilization of health care services, the amount of charges, and other factors. While management believes the amount to be adequate, the ultimate liability may be in excess of or less than the amount estimated in these financial statements. The Company limits a portion of their liability through stop-loss insurance. The methods for making estimates and for establishing the claims adjustment expense reserve are continually reviewed and any adjustments are reflected as determined in the periodic financial statements.
 - 12) Capitalization policy – The Company has not modified its capitalization policy from the prior year.
 - 13) Pharmaceutical rebate receivables are not estimated as they are generally not admitted and therefore not material.
2. Accounting Changes and Corrections of Errors – None to report.
 3. Business Combinations and Goodwill – None to report.
 4. Discontinued Operations – None to report.
 5. Investments
 - A. Mortgage Loans – None to report.

NOTES TO FINANCIAL STATEMENTS

- B. Debt Restructuring – None to report.
 - C. Reverse Mortgages – None to report.
 - D. Loan-Backed Securities – None to report.
 - E. Repurchase Agreements – None to report.
 - F. Real Estate - The Company continues to own one of its five health centers located in Wyoming, Michigan a suburb of Grand Rapids, Michigan.
 - G. Low-Income Housing Tax Credits – None to report.
6. Joint Ventures, Partnerships and Limited Liability Companies – There are no investments that exceeded 10% of the admitted assets of the Company and there are no impaired investments.
7. Investment Income – None to report.
8. Derivatives – None to report.
9. Income Taxes

A. The components of the net deferred tax asset recognized in the Company’s Assets, Liabilities, Surplus and Other Funds are as follows:

	Dec 31, 2012	Dec 31, 2011
1) Total of gross deferred tax assets	\$263,000	\$285,000
2) Total of deferred tax liabilities	<u>0</u>	<u>0</u>
3) Net deferred tax asset	263,000	285,000
4) Deferred tax asset non-admitted	<u>(26,688)</u>	<u>(50,470)</u>
5) Net admitted deferred tax asset	236,312	234,530
6) Increase(decrease) in non-admitted asset	\$ (23,782)	\$ 39,593

The amount of paragraph 11b. Realization Threshold Limitation Table - RBC Reporting Entities, Adjusted Capital current year \$2,363,612/ACL 2012 \$901,569 = ExDTA ACL RBC Ratio 262.2%, 11b.ii. An amount no greater than 10% of Capital and Surplus as adjusted net of DTAs, EDP and goodwill is being admitted.

There were no tax-planning strategies that are reinsurance related.

B. Deferred Tax Liabilities – None to report.

C. Current income taxes incurred consist of the following major components:

	Dec 31, 2012	Dec 31, 2011
Federal income taxes	\$182,472	\$(475,823)
Prior year FIT True-up	<u>\$ (52,472)</u>	<u>\$(104,879)</u>
Total Current Income Taxes	\$130,000	\$(580,702)

The main components of the deferred tax amounts and changes therein are as follows:

Deferred tax assets:	Dec 31, 2012	Dec 31, 2011	Change
Accrued Vacation	\$ 42,000	\$ 45,000	\$(3,000)
IBNR not pd at 3-15-xx	131,000	197,000	(66,000)
NOL's remaining	45,000	0	45,000
NTV vs NBV fixed assets	<u>45,000</u>	<u>43,000</u>	<u>2,000</u>
Total deferred tax assets	263,000	285,000	(22,000)
Nonadmitted deferred tax assets	<u>(26,688)</u>	<u>(50,470)</u>	<u>(23,782)</u>
Admitted deferred tax assets	\$236,312	\$ 234,530	\$ 1,782

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	Dec 31, 2012	Effective Tax Rate
Provision computed at statutory rate	\$ 155,565	34.0%
add'l deduction IBNR pd by 3-15	(26,738)	(5.8)
Nondeductible items	<u>1,173</u>	<u>.2</u>
Total	\$ <u>130,000</u>	<u>28.4%</u>

NOTES TO FINANCIAL STATEMENTS

Federal income taxes incurred	\$152,000	33.2%
Change in deferred tax	(22,000)	(4.8)
Total statutory income taxes	<u>\$130,000</u>	<u>28.4%</u>

- E. There are NOL carryforwards attributable to Grand Valley Health Plan, Inc. from 2011 of \$750,000 available to offset future taxable income for 20 years. It will use approximately \$450,000 in 2012.
- F. The company's federal income tax return is consolidated as follows:
- 1) The entities that are consolidated for federal income tax purposes are Grand Valley Health Plan, Inc., Grand Valley Health Management Inc., Grand Valley Health Facilities Inc., Grand Valley Technology Services, LLC, and Grand Valley Health Corporation.
 - 2) These entities have agreed that the amount of a consolidated NOL that is attributable to a Member is determined by a fraction, the numerator of which is the separate NOL of the Member and the denominator of which is the sum of the separate NOL's of all other Members. For this purpose, the separate NOL of a Member is determined by computing the consolidated NOL by taking into account only the Member's items of income, gain, deduction, and loss, including the Member's losses and deductions actually absorbed by the group in the taxable year.

10. Information Concerning Parent, Subsidiaries, and Affiliates

- A. Grand Valley Health Plan, Inc. is a wholly owned subsidiary of Grand Valley Health Corporation. Grand Valley Health Facilities, Inc. is a wholly owned subsidiary of Grand Valley Health Corporation and primarily manages buildings utilized by Grand Valley Health Plan. Grand Valley Health Management is a wholly owned subsidiary of Grand Valley Health Corporation. Grand Valley Surgical Center, LLC is partially owned by Grand Valley Health Management (54%) and Grand Valley Health Corporation (28%). Grand Valley Technology Services, LLC is 68% owned by Grand Valley Health Corporation and 32% owned by other investors. All of the above relationships are based upon arms length transactions.
- B. Any above mentioned Grand Valley Company may occasionally pay general accounts payable where a portion of the expense is appropriately charged to one of the other members of the holding company, and any above-mentioned Grand Valley company (except the Grand Valley Surgical Center) may be subject to the effect of the tax allocation agreement described in footnote 9. All charges are generally approved and settled by the corresponding entity typically within 30 days.
- C. The total recurring charges due to Grand Valley Health Plan Year to Date Dec 31, 2012 for the transactions in letter F below were \$237,168 – Grand Valley Health Corp. \$22,656 – Grand Valley Health Management \$0 – Grand Valley Health Facilities \$181,428 – Grand Valley Technology Services \$15,084 - Grand Valley Surgical Center \$18,000. The total recurring charges due from Grand Valley Health Plan Year to Date Dec 31, 2012 for the transactions in letter F below were \$2,917,428 - Grand Valley Health Corporation \$606,192 – Grand Valley Health Management \$0 – Grand Valley Health Facilities \$1,390,440 – Grand Valley Technology Services LLC \$920,796 - Grand Valley Surgical Center, LLC \$0.
- D. At Dec 31, 2012 receivables from affiliates totaled \$26,640 as follows: Grand Valley Health Corporation - \$5,170, Grand Valley Health Management - \$0, Grand Valley Health Facilities - \$0, Grand Valley Technology Services – \$8,072 and Grand Valley Surgical Center - \$13,398. At Dec 31, 2012 net liabilities from affiliates totaled \$21,803 as follows: Grand Valley Health Corporation - \$21,803, Grand Valley Health Management - \$0, Grand Valley Health Facilities - \$0, Grand Valley Technology Services \$0 and Grand Valley Surgical Center, LLC \$0.
- E. Guarantees - None to report.
- F. Grand Valley Health Plan, Inc. under agreement pays Grand Valley Health Corporation for management services primarily for the Chief Executive Officer and staff, the Financial staff, and the Corporate Human Resources department. Grand Valley Health Plan pays Grand Valley Health Facilities for rental and other facility related expense reimbursements. Grand Valley

NOTES TO FINANCIAL STATEMENTS

Health Plan under agreement charged Grand Valley Surgical Center, LLC administrative (credentialing) and pharmacy services. Grand Valley Technology Services provides technology solutions to Grand Valley Health Plan for its insurance and medical management practices.

- G. Grand Valley Health Plan, Inc. is a wholly owned subsidiary of Grand Valley Health Corporation a holding company, domiciled in the State of Michigan.
 - H. None.
 - I. None.
 - J. Grand Valley Health Plan, Inc. did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
 - K. None.
 - L. None.
11. Debt – None to report.
12. Retirement Plans, Deferred Compensation, Post-retirement Benefits, and Compensated Absences and Other Post-retirement Benefits Plans - The Company participates in an Employee Stock Ownership Plan (ESOP) covering substantially all employees of the Company that meet eligibility requirements. The Plan invests primarily in the common stock of its parent company, Grand Valley Health Corporation. The Company accrued ESOP contributions of \$194,837 during the twelve months ended Dec 31, 2012. The Company maintains a 401(k) plan that provides for matching contributions per Board discretion. The Company accrued 401(k) plan matching contributions of \$16,013 during the twelve months ended Dec 31, 2012. There are no deferred compensation plans and no other post-retirement plans. Compensated absences are accrued to cover unused vested vacation days.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
- 1) The company has 400,000 shares of Common Stock authorized, 312,996 shares issued and outstanding. The par value is \$1.00, coupled with Additional Paid-in-Capital of \$1,212,873.
 - 2) The Company has no preferred stock outstanding.
 - 3) There were no dividend restrictions during the year.
 - 4) There were no dividends authorized or paid during the year.
 - 5) There were no profits available for dividends.
 - 6) There are no restrictions placed on surplus funds except for the Surplus Note.
 - 7) The amount of the Surplus Note not repaid is \$500,000.
 - 8) There is no stock of the Company held for special purposes.
 - 9) There are no special surplus funds other than the Surplus Note that did not change during the year.
 - 10) There is no portion of the unassigned surplus funds that has been represented by or reduced for any purpose.
 - 11) On February 28, 2001 the Company received an additional \$500,000 in capital from its parent. Principal and interest payments on this Surplus Note shall only be repaid out of the surplus earnings of the Company and with prior written approval of the State of Michigan Department of Consumer and Industry Services, Office of Financial and Insurance Services, Division of Insurance. Interest is at the rate of eight and one-half percent per annum, computed annually and not compounded. Subject to the prior written approval of the Board of Directors of Grand Valley Health Plan and the prior written approval of the Michigan Insurance Division, interest shall be paid annually from earned surplus until the entire principal amount is paid in full. If Grand Valley Health Plan does not pay interest in any year, the interest shall be non-cumulative and will neither be paid nor accrued for future payment. The surplus note does not have a stated maturity or repayment date. There were no principal and/or interest payments during the period. The surplus note is expressly subordinated to claims of creditors and members of Grand Valley Health Plan and any other priority claims provided by Chapter 81 of the Insurance Code, which provides that surplus notes are at the eighth level of priority. There has not been a quasi-reorganization of the Company.
 - 12) There was no quasi-reorganization.

NOTES TO FINANCIAL STATEMENTS

13) There is no effective date of quasi-reorganization.

14. Contingencies - The Company is periodically involved in professional liability claims arising from its medical practice, which are defended and handled in the ordinary course of business. Management believes there is no liability outstanding.

The Company has a contract with an employer group ("group") that allows for periodic audits of the group premium and other costs charged by the Company. Based upon this audit, the Company was notified by the employer group that certain settlements were due back to the group in the amount of \$1,100,000. Management contested the audit and recently received the settlement amount of \$482,000. Management has recorded this liability at December 31, 2012 along with \$82,000 of interest expense.

The management does not believe there are any other general liabilities outstanding. The Company is not under investigatory controls of the Michigan Office of Financial and Insurance Services. The Company is in full compliance with prior agreements and orders of the Michigan Office of Financial and Insurance Services.

15. Leases

A. Lessee Operating Leases

- 1) The Company has operating leases for health centers, medical facilities, and an administrative office from various entities, which are considered related parties. These non-cancelable leases contain various renewal options subject to increases in the monthly rental payments. Lease terms expire at various dates through 2017. These leases require the Company to pay all utilities, maintenance and taxes. Total expense amounted to \$1,390,440 as of Dec 31, 2012.
- 2) Future minimum lease payments are as follows:

<u>Year Ending December 31</u>	<u>Operating Leases</u>
2013	\$ 322,529
2014	1,286,780
2015	10,867
2016	10,867
2017	10,867

- 3) The company is not involved in any material sales – leaseback transactions.

B. Lessor Leases – None to report.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk – None to report.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – None to report.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – None to report.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators – None to report.
20. Fair Value Measurements - None to report.
21. Other Items – None to report.
22. Events Subsequent – There were no Type I or Type II subsequent events.
23. Reinsurance – The Company limits a portion of its medical claims liability through stop-loss insurance. Under the terms of this agreement, the insurance company will reimburse approximately 90% of the cost of each member's applicable annual services per reinsurance contract in excess of \$250,000, up to a specific annual stop-loss benefit per member of \$2,000,000. At Dec 31, 2012, the Company has recorded a receivable under this agreement in the amount of \$77,515. There was no uncollectible reinsurance written off during the quarter.
24. Retrospectively Rated Contracts and Contracts Subject to Redetermination – None to report.
25. Change in Incurred Claims and Claim Adjustment Expenses – None to Report.

NOTES TO FINANCIAL STATEMENTS

26. Inter-company Pooling Arrangements – None to report.
27. Structured Settlements – None to report.
28. Health Care Receivables – At Dec 31, 2012 the identified pharmacy rebates recorded as healthcare receivables are \$0.

A. Pharmaceutical Rebate Receivables						
Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Estimated Pharmacy Rebates for previous 3 months	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2012	0	0	0	7,643	4,979	7,358
9/30/2012	0	0	0	8,895	0	15,790
6/30/2012	0	0	0	0	3,935	3,815
3/31/2012	0	0	0	10,226	5,251	17,830
12/31/2011	0	0	0	10,856	915	3,534
9/30/2011	0	0	0	10,851	1,234	6,685
6/30/2011	0	0	0	8,565	11,678	3,658
3/31/2011	0	0	0	0	8,811	820
12/31/2010	0	0	0		8,237	7,531
9/30/2010	0	0	0	9,008	5,530	4,906
6/30/2010	0	0	0	7,907	13,049	54
3/31/2010	0	0	0	7,412	14,927	254
*The estimated pharmacy rebates as reported on the financial statements includes confirmed rebates that were actually received within 90 days and an estimate of the previous 3 months filled perscriptions.						
Per SSAP 84.						

29. Participating Policies – None to report.
30. Premium Deficiency Reserves – None to report, per certification from actuary included herein.
31. Anticipated Salvage and Subrogation - None to report.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ NA ☐
- 1.3

State Regulating?

Michigan
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2011
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2011
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/02/2012
- 3.4

By what department or departments?

Michigan Office of Financial & Insurance Regulation
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☒ No ☐ NA ☐
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes ☐ No ☒
- 4.12

renewals?

Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes ☐ No ☒
- 4.22

renewals?

Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,
- 7.21

State the percentage of foreign control
- 7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney - in - fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney - in - fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Crowe Horwath LLP, 55 Campau Ave NW Suite 300, Grand Rapids, MI 49503-2642
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] NA []
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

WTO Actuarial Services LLC, Arlington, VA
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value

\$
- 12.2

If yes, provide explanation
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] NA []
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and
- a.

professional relationships;
- b.

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c.

Compliance with applicable governmental laws, rules and regulations;
- d.

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e.

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is no, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s)
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [] No [X]
- 15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
17.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
18.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes [X] No []

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [] No [X]
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers .. \$.....

20.12 To stockholders not officers ... \$.....

20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers ... \$.....

20.22 To stockholders not officers ... \$.....

20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [] No [X]
- 21.2

If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others \$.....

21.22 Borrowed from others \$.....

21.23 Leased from others \$.....

21.24 Other \$.....
- 22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [] No [X]
- 22.2

If answer is yes:

22.21 Amount paid as losses or risk adjustment \$.....

22.22 Amount paid as expenses \$.....

22.23 Other amounts paid \$.....
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No []
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$.....5,170

INVESTMENT

- 24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03).

Yes [X] No []
- 24.02

If no, give full and complete information, relating thereto
- 24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [] No [] NA [X]
- 24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$.....
- 24.06

If answer to 24.04 is no, report amount of collateral for other programs.

\$.....
- 24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [] No [] NA [X]
- 24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [] No [] NA [X]
- 24.09

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [] No [] NA [X]
- 24.10

For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2..... \$.....

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2..... \$.....

24.103 Total payable for securities lending reported on the liability page..... \$.....

GENERAL INTERROGATORIES

- 25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes [X] No []
- 25.2

If yes, state the amount thereof at December 31 of the current year:

25.21

Subject to repurchase agreements

\$

25.22

Subject to reverse repurchase agreements

\$

25.23

Subject to dollar repurchase agreements

\$

25.24

Subject to reverse dollar repurchase agreements

\$

25.25

Pledged as collateral

\$

25.26

Placed under option agreements

\$

25.27

Letter stock or securities restricted as to sale

\$

25.28

On deposit with state or other regulatory body

\$

25.29

Other

\$

1,001,406

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]
- 26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [] No [] NA [X]
- 27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]
- 27.2

If yes, state the amount thereof at December 31 of the current year.

\$

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Fifth Third Bank	Grand Rapids, Michigan

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [] No [X]
- 28.04

If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

GENERAL INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?..... Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
30.1 Bonds.....	1,001,406	1,001,406	0
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	1,001,406	1,001,406	0

30.4 Describe the sources or methods utilized in determining the fair values:

.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes [] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... Yes [] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

32.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any?.....\$
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....

- 34.1 Amount of payments for legal expenses, if any?.....\$57,773
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Brownrudnick LLP.....	.....44,645

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U. S. business only.

\$ 0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2.1

Premium Numerator

\$ 25,672,672

2.2

Premium Denominator

\$ 25,672,672

2.3

Premium Ratio (2.1/2.2)

1.000

2.4

Reserve Numerator

\$ 2,035,000

2.5

Reserve Denominator

\$ 2,035,000

2.6

Reserve Ratio (2.4/2.5)

1.000

2

Prior Year

2.1

Premium Numerator

\$ 30,242,994

2.2

Premium Denominator

\$ 30,242,994

2.3

Premium Ratio (2.1/2.2)

1.000

2.4

Reserve Numerator

\$ 2,971,169

2.5

Reserve Denominator

\$ 2,971,169

2.6

Reserve Ratio (2.4/2.5)

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No [X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 300,000

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental and Vision

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
GVHP has a \$5,000,000 Insolvency policy that provides continuation coverage. All provider agreements contain insolvency language to protect Members.

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

2,385

8.2

Number of providers at end of reporting year

3,490

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

9.22

Business with rate guarantees over 36 months

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [] No [X]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$

10.22

Amount actually paid for year bonuses

\$

10.23

Maximum amount payable withholds

\$

10.24

Amount actually paid for year withholds

\$

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [X] No []

11.13

An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14

A Mixed Model (combination of above) ?

Yes [] No [X]

11.2

Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [X] No []

11.3

If yes, show the name of the state requiring such net worth.

Michigan

11.4

If yes, show the amount required.

\$

1,803,138

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [] No [X]

11.6

If the amount is calculated, show the calculation

Two times Risk Based Capital

12.

List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Allegan, Ionia, Kent, Ottawa

13.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]

13.2

If yes, please provide the amount of custodial funds held as of the reporting date

\$

13.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]

13.4

If yes, please provide the balance of the funds administered as of the reporting date

\$

FIVE-YEAR HISTORICAL DATA

	1 2012	2 2011	3 2010	4 2009	5 2008
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	5,794,159	6,586,519	6,023,995	6,720,235	9,278,298
2. Total liabilities (Page 3, Line 24)	3,194,235	4,004,546	2,694,682	4,118,084	5,564,607
3. Statutory surplus	1,803,138	2,170,478	2,036,424	1,954,784	2,411,976
4. Total capital and surplus (Page 3, Line 33)	2,599,924	2,581,972	3,329,313	2,602,151	3,713,691
Income Statement (Page 4)					
5. Total revenues (Line 8)	25,948,707	30,568,630	29,324,322	28,335,456	30,516,996
6. Total medical and hospital expenses (Line 18)	23,775,240	29,177,995	26,632,263	27,047,425	30,862,408
7. Claims adjustment expenses (Line 20)	235,920	306,947	238,499	205,851	216,823
8. Total administrative expenses (Line 21)	1,834,289	2,755,292	2,215,167	2,633,168	3,098,359
9. Net underwriting gain (loss) (Line 24)	103,258	(1,671,604)	238,393	(1,550,988)	(3,660,594)
10. Net investment gain (loss) (Line 27)	354,285	331,068	386,667	444,340	616,834
11. Total other income (Lines 28 plus 29)	0	0	0	0	41,405
12. Net income or (loss) (Line 32)	327,543	(759,834)	695,455	(1,173,475)	(1,802,717)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(128,857)	442,543	(441,105)	(1,971,284)	(971,921)
Risk - Based Capital Analysis					
14. Total adjusted capital	2,599,924	2,581,972	3,329,313	2,602,151	3,713,691
15. Authorized control level risk-based capital	901,569	1,085,239	1,018,214	977,392	1,205,988
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	6,086	7,925	7,953	7,558	8,330
17. Total members months (Column 6, Line 7)	77,675	95,233	92,572	92,739	104,453
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	92.6	96.5	91.8	96.8	102.8
20. Cost containment expenses	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses	0.9	1.0	0.8	0.7	0.7
22. Total underwriting deductions (Line 23)	100.7	106.6	100.3	106.9	113.8
23. Total underwriting gain (loss) (Line 24)	0.4	(5.5)	0.8	(5.5)	(12.2)
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	3,323,931	1,824,791	1,562,568	1,923,407	3,068,956
25. Estimated liability of unpaid claims—[prior year (Line 13, Col. 6)]	2,971,169	1,645,592	2,584,219	3,294,808	2,724,870
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	964,697	933,717	779,210	740,463
32. Total of above Lines 26 to 31	0	964,697	933,717	779,210	740,463
33. Total investment in parent included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N						0	0
2. Alaska	AK	N						0	0
3. Arizona	AZ	N						0	0
4. Arkansas	AR	N						0	0
5. California	CA	N						0	0
6. Colorado	CO	N						0	0
7. Connecticut	CT	N						0	0
8. Delaware	DE	N						0	0
9. Dist. of Columbia	DC	N						0	0
10. Florida	FL	N						0	0
11. Georgia	GA	N						0	0
12. Hawaii	HI	N						0	0
13. Idaho	ID	N						0	0
14. Illinois	IL	N						0	0
15. Indiana	IN	N						0	0
16. Iowa	IA	N						0	0
17. Kansas	KS	N						0	0
18. Kentucky	KY	N						0	0
19. Louisiana	LA	N						0	0
20. Maine	ME	N						0	0
21. Maryland	MD	N						0	0
22. Massachusetts	MA	N						0	0
23. Michigan	MI	L	20,189,273		5,818,869			26,008,142	0
24. Minnesota	MN	N						0	0
25. Mississippi	MS	N						0	0
26. Missouri	MO	N						0	0
27. Montana	MT	N						0	0
28. Nebraska	NE	N						0	0
29. Nevada	NV	N						0	0
30. New Hampshire	NH	N						0	0
31. New Jersey	NJ	N						0	0
32. New Mexico	NM	N						0	0
33. New York	NY	N						0	0
34. North Carolina	NC	N						0	0
35. North Dakota	ND	N						0	0
36. Ohio	OH	N						0	0
37. Oklahoma	OK	N						0	0
38. Oregon	OR	N						0	0
39. Pennsylvania	PA	N						0	0
40. Rhode Island	RI	N						0	0
41. South Carolina	SC	N						0	0
42. South Dakota	SD	N						0	0
43. Tennessee	TN	N						0	0
44. Texas	TX	N						0	0
45. Utah	UT	N						0	0
46. Vermont	VT	N						0	0
47. Virginia	VA	N						0	0
48. Washington	WA	N						0	0
49. West Virginia	WV	N						0	0
50. Wisconsin	WI	N						0	0
51. Wyoming	WY	N						0	0
52. American Samoa	AS	N						0	0
53. Guam	GU	N						0	0
54. Puerto Rico	PR	N						0	0
55. U.S. Virgin Islands	VI	N						0	0
56. Northern Mariana Islands	MP	N						0	0
57. Canada	CAN	N						0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal	XXX	20,189,273	0	0	5,818,869	0	0	26,008,142	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	20,189,273	0	0	5,818,869	0	0	26,008,142	0
DETAILS OF WRITE-INS									
58001	XXX								
58002	XXX								
58003	XXX								
58998 Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999 Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

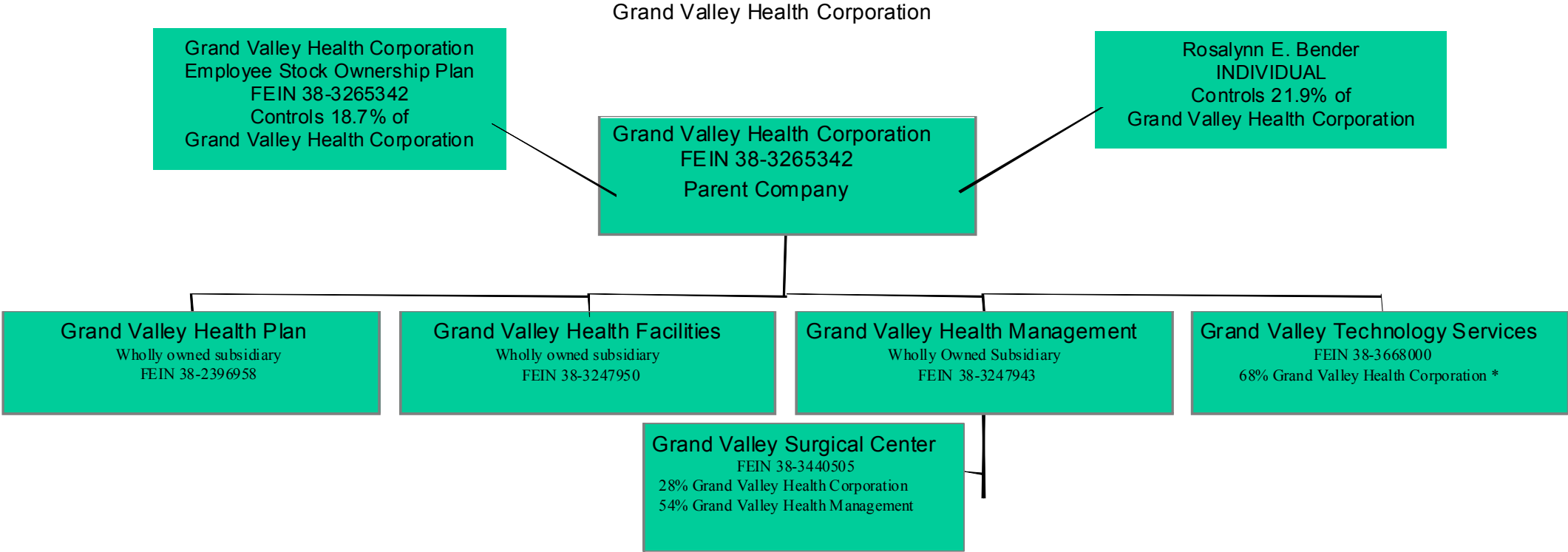
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

"The company only has business in the State of Michigan."
(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations by Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 – Enrollment By Product Type for Health Business Only	17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18
Exhibit 3 – Health Care Receivables	19
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	20
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	21
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	22
Exhibit 7 – Part 1 – Summary of Transactions With Providers	23
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	23
Exhibit 8 – Furniture, Equipment and Supplies Owned	24
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Nonadmitted Assets	16
Exhibit of Premiums, Enrollment and Utilization (State Page)	29
Five-Year Historical Data	28
General Interrogatories	26
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	25
Overflow Page For Write-Ins	44
Schedule A – Part 1	E01
Schedule A – Part 2	E02
Schedule A – Part 3	E03
Schedule A – Verification Between Years	SI02
Schedule B – Part 1	E04
Schedule B – Part 2	E05
Schedule B – Part 3	E06
Schedule B – Verification Between Years	SI02
Schedule BA – Part 1	E07
Schedule BA – Part 2	E08
Schedule BA – Part 3	E09
Schedule BA – Verification Between Years	SI03
Schedule D – Part 1	E10

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule D – Part 1A – Section 1	SI05
Schedule D – Part 1A – Section 2	SI08
Schedule D – Part 2 – Section 1	E11
Schedule D – Part 2 – Section 2	E12
Schedule D – Part 3	E13
Schedule D – Part 4	E14
Schedule D – Part 5	E15
Schedule D – Part 6 – Section 1	E16
Schedule D – Part 6 – Section 2	E16
Schedule D – Summary By Country	SI04
Schedule D – Verification Between Years	SI03
Schedule DA – Part 1	E17
Schedule DA – Verification Between Years	SI10
Schedule DB – Part A – Section 1	E18
Schedule DB – Part A – Section 2	E19
Schedule DB – Part A – Verification Between Years	SI11
Schedule DB – Part B – Section 1	E20
Schedule DB – Part B – Section 2	E21
Schedule DB – Part B – Verification Between Years	SI11
Schedule DB – Part C – Section 1	SI12
Schedule DB – Part C Section 2	SI13
Schedule DB – Part D	E22
Schedule DB – Verification	SI14
Schedule DL – Part 1	E23
Schedule DL – Part 2	E24
Schedule E – Part 1 – Cash	E25
Schedule E – Part 2 – Cash Equivalents	E26
Schedule E – Part 3 – Special Deposits	E27
Schedule E – Verification Between Years	SI15
Schedule S – Part 1 – Section 2	30
Schedule S – Part 2	31
Schedule S – Part 3 – Section 2	32
Schedule S – Part 4	33
Schedule S – Part 5	34
Schedule S – Part 6	36
Schedule S – Part 7	37
Schedule T – Part 2 – Interstate Compact	39
Schedule T – Premiums and Other Considerations	38
Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule Y – Part 1A – Detail of Insurance Holding Company System	41
Schedule Y - Part 2 – Summary of Insurer’s Transactions With Any Affiliates	42
Statement of Revenue and Expenses	4

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	43
Underwriting and Investment Exhibit – Part 1	8
Underwriting and Investment Exhibit – Part 2	9
Underwriting and Investment Exhibit – Part 2A	10
Underwriting and Investment Exhibit – Part 2B	11
Underwriting and Investment Exhibit – Part 2C	12
Underwriting and Investment Exhibit – Part 2D	13
Underwriting and Investment Exhibit – Part 3	14

